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Missouri State Auditor

CITIZENS SUMMARY

Findings in the audit of the City of Brentwood

Expenditures	The city did not retain most of the bid documentation for the new firehouse construction project and has not solicited proposals for ambulance billing services since 1998. The city has not obtained proposals and written contracts for various professional services, has not paid fuel bills timely and often incurs late fees and/or finance charges, and does not maintain adequate documentation for some credit card purchases, making it difficult to ensure all purchases on city credit cards are appropriate and reasonable. The city has incurred significant costs over the last 10 years to provide fringe benefits to some elected city officials without establishing an ordinance authorizing these benefits.
Fire Department Overtime and Timesheets	The city entered a legal settlement with the firefighters union over excessive overtime payments. However, the city cannot demonstrate the settlement is adequate and fair, because it has no documentation showing how much excess overtime was charged to the city. Prior to July 2011, fire department employees were not required to complete timesheets, and currently the fire department only submits a summary report to the finance department when overtime is worked.
Payroll and Leave Records	The Assistant Fire Chief was hired to also serve as the part-time building official, but the city did not establish clear expectations regarding hours to be worked, and questions arose as to whether the same hours worked were being counted toward each position. The city is not always in compliance with its overtime policy and the Fair Labor Standards Act. Some timesheets are not signed by the employee and some do not indicate review and approval by the supervisor, and documentation of some leave benefits accumulated, used, and remaining are not maintained in a centralized location.
Additional Compensation	Some employees receive additional compensation related to tasks performed as part of regular job duties. Until January 2012, the City Administrator allocated fees from the Hanley Road Corridor Transportation Development District (TDD) to the salaries of employees handling the TDD's administrative duties, and the city pays employees for perfect attendance.
Litigation	The city issued a total of \$30.4 million in bonds for a retail and office space development, but in October 2009, the bank notified the city and developer of possible defaults. The city indicated it failed to detect that two retailers were miscoding sales tax returns, leaving the bond accounts underfunded by \$460,000, which the city took out a loan to cover. The city spent \$260,000 on legal fees related to the various lawsuits and paid \$13,500 in interest on the loan. The city indicated it has implemented more reviews and is now reviewing Missouri Department of Revenue sales tax reports for accuracy.
Meeting Minutes	The city did not always document the specific section of law that allows for a closed meeting and does not maintain minutes of closed board meetings.

Accounting Controls	Payroll duties and receipting duties are not adequately segregated or reviewed. The payroll clerk's work is not reviewed, payroll report details are not approved prior to disbursement, and there is no supervisory review or reconciliation of the accounting clerk's work or the General Fund bank reconciliation. Monies are not promptly receipted or recorded in the accounting system, receipts are not always deposited timely and intact, and the numerical sequence of receipt slips is not accounted for properly.
Vehicles	The city pays monthly vehicle allowances of \$450 to the City Administrator and \$350 to the Assistant City Administrator, but has not documented how these amounts were determined. The city does not maintain logs of fuel pumped from its bulk diesel fuel tanks or usage logs for city vehicles, and it has not conducted an analysis to determine if its 36 non-specialized vehicles are necessary and justified.
Budgets	Budget documents do not include all information required by law.
Bank Reconciliations	The city did not make adjusting entries in the city's accounting system to address reconciling items and did not routinely and timely follow up on outstanding checks.
Property Records	The city has not performed an annual physical inventory of property in at least five years, city property is not tagged and identified, and property records do not include all necessary information.
Library	The city has not entered into a current written agreement with the library and has not conducted an analysis to ensure fees are reasonable.

In the areas audited, the overall performance of this entity was **Poor**.*

American Recovery and Reinvestment Act (Federal Stimulus)	The City of Brentwood did not receive any federal stimulus monies during the audited time period.
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*The rating(s) cover only audited areas and do not reflect an opinion on the overall operation of the entity. Within that context, the rating scale indicates the following:

- Excellent:** The audit results indicate this entity is very well managed. The report contains no findings. In addition, if applicable, prior recommendations have been implemented.
- Good:** The audit results indicate this entity is well managed. The report contains few findings, and the entity has indicated most or all recommendations have already been, or will be, implemented. In addition, if applicable, many of the prior recommendations have been implemented.
- Fair:** The audit results indicate this entity needs to improve operations in several areas. The report contains several findings, or one or more findings that require management's immediate attention, and/or the entity has indicated several recommendations will not be implemented. In addition, if applicable, several prior recommendations have not been implemented.
- Poor:** The audit results indicate this entity needs to significantly improve operations. The report contains numerous findings that require management's immediate attention, and/or the entity has indicated most recommendations will not be implemented. In addition, if applicable, most prior recommendations have not been implemented.